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## ABSTRACT

The characteristics and attitudes of students and their reasons for enrolling were studied at a new institute of technology being established in Malaysia. The Swinburne University of Australia, in cooperation with Yayasan Sarawak, has established the Swinburne Sarawak Institute of Technology to provide industry training and trade/skills development programs and opportunities for Association Degree studies and certificate and diploma studies in Engineering and Business. A draft questionnaire was developed based on market research techniques. Questions were framed to relate to student experience while addressing the key issues targeted by the questionnaire. Responses were received from 81 students. Of these, only 15% spoke English at home, although the standard of spoken English in Sarawak is higher than that of the rest of Malaysia. Slightly more than half (53.1%) of the respondents indicated that the institution was their first choice for higher education, and 30.9% indicated that it was a second choice. Students ranked institutional factors in terms of their importance for the decision to enroll. The higher ranked factors included library facilities, availability of computed facilities, career training, international qualifications they could earn, the reputation of the faculty, and the programs offered. Factors of least importance in the enrollment decision were also identified. (SLD)

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## SOME CHALLENGES OF ESTABLISHING A NEW TERTIARY EDUCATION INSTITUTION: A MALAYSIAN CASE STUDY

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## **ABSTRACT**

The 2001 odyssey is beginning for an Institute of Technology recently established in Kuching, Malaysia. The trials and tribulations facing this institution include gaining accreditation for its programs, establishment of facilities, recruitment of staff, recruitment of students and the like. Concerning the issue of student marketing, the paper reports on a survey undertaken of commencing students, their demographic characteristics and reasons for selecting the institution. It explores some of the difficulties in undertaking such an institutional research project in a regional location within a developing country. It also considers planning and policy implications for the development of this new campus.

## **INTRODUCTION**

Internationalisation is a strategic goal of Swinburne University of Technology – an institution that was established in 1908 within the inner Eastern suburbs of Melbourne. Swinburne has grown from being a local Melbourne provider of Technical Education into a multi-sectoral, multi-discipline and multi-campus provider of vocational and higher education both nationally and internationally. Swinburne established its Thailand Campus, Swinburne Tummasiri Laem Chabang School of Engineering in 1998 and more recently Swinburne has established the Swinburne Sarawak Institute of Technology in Kuching, East Malaysia.

Swinburne Sarawak Institute of Technology is a Division of Swinburne University of Technology in Melbourne, Australia and operates in partnership with Yayasan Sarawak. The establishment of Swinburne Sarawak is a part of a long-term strategy by Swinburne to globalise its operations and provide all Swinburne students worldwide with international living, working and learning opportunities.

In addition to degree programs, Swinburne Sarawak also provides both industry training and trade/skills development programs and opportunities for Associate Degree studies at foundation, certificate and diploma levels for both Engineering and Business Programs. It is the purpose of this paper to report on the challenges facing the Institute in terms of establishing a new campus overseas, as well as reporting on a institutional research project undertaken to seek key marketing information from commencing students.

## **RESEARCH METHODOLOGY**

A draft questionnaire was developed by discussion with American colleagues familiar with market research instruments used in the USA and was modified to conform with the local situation in Sarawak. The modifications took account of the local system and circumstances so that questions were framed to access responses that "made sense" in terms of the students' experience while addressing the key issues targeted by the questionnaire.

Academic staff, who had been briefed beforehand, administered the questionnaire within normal class times. The response rate was 100%. The data from the questionnaires were keyed into a PC, validated and were analysed to provide various descriptive statistics, mainly using Excel spreadsheets.

## LITERATURE REVIEW

Ogbuehi and Rogers (1990) indicate that the concept of university marketing is relatively new in terms of the marketing literature. They suggest that colleges and universities have been very slow in adopting marketing techniques for solving enrolment problems. However, they report that American universities have been forced to pay more attention to the utilisation of marketing techniques in their recruitment processes due to the sharp decrease in the number of US High School graduates. This rationale is increasingly applying within the Asian region. In the past, due to the relatively low participation rates in university education and the largely public provision of such education, Asian Universities tended to have a captive audience, requiring very little in the way of marketing. However, in recent times, participation rates have exploded and many private institutions have emerged. This means that Asian tertiary institutions need to give closer attention to the utilisation of marketing techniques and improving student recruitment and "the bottom line" of the organisation.

Goldgehn (1990) suggests that marketing in the universities need to move beyond simply being an excellent way of getting students to other requirements, including increasing student satisfaction and lowering attrition rates. Goldgehn (1990) also suggests that many institutions are not utilising internal marketing that is directed towards their current customers, namely, students, faculty and alumni. He argues that an institution's image and reputation is to a large extent determined by the students, through the quality of their education and through their perceptions (as alumni) of the alma mater.

Shank and Beasley (1998) believe that more and more (US) universities are beginning to implement comprehensive marketing strategies. They suggest that critical to the foundation of any successful marketing strategy is choosing the correct segmentation variables, target markets and positioning the university's project/service. However, they contend that historically, universities have not considered segmentation on the basis of gender. They found important gender differences, including the result that women are more likely to believe that a safe campus, diverse student population, a favourable student to teacher ratio, a wide variety of course offerings and a college that is located close to home are important characteristics. Shank and Beasley (1998) suggest that men on the other hand are more likely to view a prominent athletic program as an important characteristic of a college. It will be interesting to see whether such gender differences also arise within the Asian University context.

Rosen, Curran and Greenlee (1998) researched into the process that high school students utilise in College choice. Their findings suggest that while college guides and guidance counsellors are the most important influences in the creation of the awareness set, parents become the number one factor in the consideration stage of College choice.

James, Baldwin and McInnis (1999) reported on a recent study in Australia on factors influencing the choices of prospective undergraduate students. They suggest that many university applicants in this country can be considered to be under-informed on key matters of university choice, since their selection of universities were based extensively on word-of-mouth information. James, Baldwin and McInnis (1999) found that these students formed their main impressions of the preferred universities through vague reputational, idealistic or limited impressions of the campus physical environment. It may be that the informational infrastructure or marketing strategy implementation is less developed in Australia than in Northern America. It will be useful to see how Malaysian students compare in this respect in the current study.

## CHALLENGES FACING A NEW INSTITUTE IN MALAYSIA

There are many hurdles to clear for new tertiary education institutions in Malaysia, apart from the obvious matters of acquiring or building premises, recruiting staff and providing facilities for students and so forth. The Malaysian government has a policy of encouraging the private sector to get involved in the provision of tertiary education and, indeed, has ambitions for establishing Malaysia as a regional hub for education in South East Asia. The Private Higher Education Institution Act of 1996 provides very detailed guidelines about federal requirements for establishing and operating private tertiary institutions in respect of courses, staffing, facilities, student behaviour and the accountability of the CEO and the staff. Approximately 600 applications to establish private higher education institutions were made in 1999-2000 alone.

Quite a number of private tertiary institutions have entered into arrangements with overseas universities to deliver part of their degree programs locally to fee-paying students, for example "2+1" franchise programs where the first two years of a degree program are delivered by a private local college and students travel abroad for the final year overseas. Some Malaysian tertiary institutions deliver entire degree programs from overseas universities ("3+0" or "4+0") locally on a franchise basis.

There are many administrative and bureaucratic steps in the process of getting a tertiary institution established in order to satisfy Ministry of Education requirements and the Ministry of Education has substantial sanctions in place to deal with breaches of the regulations and to enforce compliance. The Private Higher Education Institution Act was clearly written to try to ensure that shoddy and opportunistic operations are discouraged and that the public is protected from such activities. Several sections to do with enforcement make anxious reading for a CEO, especially one from a country such as Australia where tertiary education has tended to be a publicly funded service (and prevalent assumptions about educators are largely benign) rather than a private business, albeit that is now changing in Australia.

The Ministry of Education takes advice from the Federal Accreditation Board (Lembaga Akreditasi Negara or LAN) as to the suitability of proposed courses and private institutions have to submit detailed proposals to the Ministry which are referred to LAN, detailing curricula and syllabi, library resources available, proposed assessment, staff particulars and qualifications, equipment and so forth. These submissions are frequently subject to long delays in response time (cases as long as 18 months and more are sometimes reported) during which period the private institution is not permitted to advertise, let alone recruit students and launch the programs. Needless to say, this process is the focus of some bitter criticism from local private institutions.

There are many other matters that have to be attended to in order to launch a private higher education institution in Malaysia, including requirements laid down or administered by state authorities. For the sake of brevity, only a brief picture of federal requirements is being given here. For institutions based overseas, such as Swinburne, the wisdom of having a local partner or partners to assist in navigating the labyrinth of federal and state bureaucracies and dealing with individuals and organisations in a culturally appropriate manner cannot be overemphasized.

## MARKETING RESEARCH RESULTS

In terms of gender, of the 81 valid responses received, 49.4% were females and 50.6% were males. The students were all either in first year of degree programs in Business or Engineering, or in degree preparatory programmes, which include English language instruction. The modal age of the responding students was 19 years and this is understandable given that many of the commencing students would have completed their high school studies at the age of 18. Only 15% of the respondents spoke English at home. This is not surprising since the official language in the country is Bahasa Malaysia although many of the students are Chinese or indigenous to Borneo and a variety of languages and dialects is spoken at home. But it may represent a source of potential academic problems since the curriculum at this international institution is largely delivered in English. It is worth noting that Sarawak continued English as the medium of instruction in schools approximately 10 years longer than the rest of Malaysia and consequently the ambient standard of spoken English is higher there than in other parts of Malaysia. 72% of the students lived within 16 kilometers of the campus, but significantly, 18% of the respondents live 80 or more kilometers away from the campus.

26.9% of the students had achieved a B or better average grade in secondary school. However, the modal average grade for the respondents was C with 43.6% of the students achieving this average grade in secondary school. Given this situation, it is not surprising that only 9.2% of the student thought that they would not need any special tutoring or remedial teaching at the institution. Given the earlier observation about the students being largely drawn from non-English speaking background, it is not surprising that 52.7% of the respondents required remediation in terms reading English. Further, 71.7% of the respondents required special tutorship or remedial teaching in writing English (note: due to multiple choice of options, percentages do not add up to 100). 82.5% of the respondents felt that they would need special tutoring or remedial teaching in mathematics. Assistance with other subjects at the institution was of lesser importance in proportional terms.

53.1% of the respondents indicated that the institution was their first choice in terms of higher education entry. 30.9% indicated that this higher education institution was the second choice. So in aggregate 84% of the respondents at the particular institution had it as either their first or second choice. 50.6% of the respondents did not apply for admission to any other college apart from the case study organisation. 18.5% of the students had applied for entry to one other higher education institution. 19.8% had applied for two other higher learning organisations. 11.1% had applied for three or more other higher education colleges.

The next question had the aim of seeking certain marketing-related information from entrants to the case study organisation. In particular, a number of characteristics of the institution were listed and students were asked to indicate the importance of these factors in terms of their decision making to enrol within the institution on a four point scale ranging from 1: unimportant to 4: very important. The highly ranked factors in terms of importance included the following:

- Provision of library facilities.
- The availability of computer facilities on campus.
- Careers to which their chosen program might lead.
- The international qualifications they would receive from this institution.
- The teaching reputation of the academic staff of the institution.
- The field of study or programs offered at the institution.

The least important factors to the students in the selection of the Higher Education institution included the following:

- The number of students enrolled on campus.
- The difficulty in getting into the institution.
- The appearance of the campus.
- Campus activities eg, sports etc.

From the above it appears that the perceptions regarding the product of the institution was the most highly ranked. Some of the place characteristics, including the library and computer facilities on campus were also rated highly by the students. The other 4P of marketing, namely, price (tuition fee charged by the institution), was only regarded as of moderate importance. However, it must be remembered that most of the responding students would have their fees paid by their parents. A survey of parents would be needed to determine the effect of price on choice. Certainly, parents are more prominent in interactions with tertiary institutions in Malaysia than in Australia, especially prior to initial enrolment. Casual observation would tend to support Rosen, Curran and Greenlee (1998)'s observations concerning the importance of parents in the consideration stage of College choice.

Table 1 below provides the mean ranking of the 19 factors considered.

**TABLE 1**

**Characteristics Of The Institution Regarded Important In The Decision To Enrol**

| CHARACTERISTIC                                               | MEAN IMPORTANCE |
|--------------------------------------------------------------|-----------------|
| Teaching reputation of academic staff                        | 3.8             |
| Careers to which my chosen program might lead                | 3.8             |
| Computer facilities                                          | 3.8             |
| International qualifications                                 | 3.8             |
| Field of study (programs) offered                            | 3.6             |
| Library facilities                                           | 3.6             |
| The reputation of the institution located overseas           | 3.5             |
| Physical facilities and buildings                            | 3.4             |
| The required entry qualifications                            | 3.3             |
| Social atmosphere of the campus                              | 3.2             |
| Tuition fee from the course                                  | 3.2             |
| Rules and regulations for students                           | 3.2             |
| Setting (neighbourhood, character of campus localities etc.) | 3.1             |
| Social background of students                                | 3.0             |
| International curriculum                                     | 3.0             |
| Campus activities eg sports etc.                             | 2.9             |
| Appearance of the campus                                     | 2.9             |
| Difficulty in getting a place                                | 2.7             |
| The number of students on campus                             | 2.5             |

The students were also asked to indicate the sources of information that they regarded as important in finding out about the institution prior to enrolment. Again these factors were rated on a four point scale with a score of 1 being given to factors regarded as unimportant and 4 to those regarded as very important. Table 2 below contains the importance scores of these sources of information. It indicates that the four most important factors in terms of sources of information include the following:

- The Sarawak Education Foundation (which is the state government body responsible for providing tertiary education loans and scholarships to students and for providing information about educational options)
- Staff of the institution.
- Newspaper or other media sources.
- A friend.

Clearly future promotional activities need to be guided by the information contain in Table 2.

TABLE 2

## Importance Of Sources Of Information For The Institution

| SOURCE OF INFORMATION                          | MEAN IMPORTANCE |
|------------------------------------------------|-----------------|
| Newspaper or other media sources               | 3.12            |
| A friend                                       | 3.06            |
| Staff of the institution                       | 3.05            |
| Sarawak Education Foundation                   | 3.01            |
| School Teacher                                 | 2.93            |
| Students currently enrolled at the institution | 2.91            |
| School Counsellor                              | 2.88            |

The next question asked the students to look into the future and indicate the probability of certain events occurring. The probabilities were ranked on a four-point scale with zero probability (no chance) given a score of zero and very high probability (very good chance) given a score of three. These probability scores for the various chance events are listed in Table 3 below. The events assigned the highest probability of occurrence include the following:

- Develop close friendship with other students.
- Talk regularly to the institution's Academic Staff.
- Make at least a B Grade average in examinations.

The three events assigned the lowest probability of occurrence include the following:

- Transfer to another institution before completing award.
- Drop out of the institution permanently (excluding transferring to another institution).
- Drop out of the institution temporarily (excludes transferring to another institution).

**TABLE 3****Mean Chance For Event Occurrence In The Future**

| EVENT                                                 | MEAN CHANCE |
|-------------------------------------------------------|-------------|
| Develop close friendships with other students         | 2.32        |
| Make at least B Grade average                         | 1.96        |
| Talk regularly to the institution's Academic Staff    | 1.94        |
| Need extra time to complete course award requirements | 1.59        |
| Change your career choice                             | 1.40        |
| Get a job to help meet educational expenses           | 1.32        |
| Seek personal counselling                             | 1.30        |
| Change your course of study                           | 1.23        |
| Transfer to another College before completing award   | 0.73        |
| Drop out of the institution temporarily               | 0.65        |
| Drop out of the institution permanently               | 0.64        |

Regarding possible gender differences, statistical testing indicated the following findings on relative importance of various factors in the selection of this Institution:

- (a) Consistent with the findings of Shank and Beasley (1998) male students (mean importance = 3.0) tended to indicate a higher importance to campus activity including sports and the like than female students (mean = 2.8) but the difference was statistically significant ( $t = 1.0$ ,  $p$  is greater than 0.5).
- (b) Shank and Beasley (1998) also suggest that factors such as campus setting and neighbourhood may be regarded as of greater importance to female students in the selection of the campus, however, this was not found to be so with respect to the Malaysian Institution. In particular, male students (mean = 3.2) regarding the campus setting and its neighbourhood as slightly more important than female students (mean = 3.1) but the difference was not statistically significant ( $t = 0.6$ ,  $p$  is greater than 0.05).
- (c) Male students felt that the difficulty in getting a place (mean = 3.1) was of greater importance in the selection of a campus than female students (mean = 2.3) with the differences in perceptions being statistically significant ( $t = 3.60$ ,  $p$  is less than 0.01).
- (d) The international curriculum was accorded a higher importance by female students (mean = 3.3) in comparison to males (mean = 2.8) and the difference was statistically significant ( $t = 2.64$ ,  $p$  is less than 0.01).

The paper has presented a number of challenges in establishing a campus of a university from a developed, English speaking nation in a developing country and also considered student perceptions regarding marketing variables. The study suggests that when establishing operations in other countries where the culture, systems, legal framework and so forth, are very different, the formation of a strategic alliance with a strong local organisation/group can be a critical factor in terms of achieving success. In this case the Kuching Campus was developed with the Sarawak Education Foundation as a key partner. The survey of the students revealed that one of the most important sources of information regarding the Institution and its programs emanated from the efforts of this Malaysian strategic partner. The fact that the partner in this case is essentially a state government agency lends credibility to the fledgling institution and alleviates potential concerns of "quick buck" or "fly by night" activities which inevitably arise in an environment where private sector operations are in abundance.

The survey questions focusing on the decision to enrol also provided some interesting results. On the issue of 4Ps of marketing, clearly the product aspects were very highly ranked since relatively high scores were given to such aspects as teaching reputation of academic staff, careers to which the chosen program might lead and the internationally recognised qualifications delivered by this institution. For Chinese students especially, who comprised the majority of the students in this study, education is generally seen as a means to obtaining financial security in future via a high-paying job. That is why parents are willing to pay large sums of money at the expense of other things in life to give their children a good university education. As such, it is not surprising that our survey finds students choosing the institution based on the product, in particular the university qualification they are paying for. Factors influencing the quality of this product (academic staff, computer and library facilities and the international aspect of the qualification offered) are therefore the ones which score highly among these students. Furthermore, the field of study offered and careers to which the programs lead also score highly because these would impact upon the future earning capability of the students, which is the end they have in mind.

The perceived importance of internationally recognised qualifications is rather positive in terms of the push by certain universities to internationalise and globalise their activities. Some dimensions of the place variables were also highly ranked including the provision of good library and computing facilities. However, other place aspects including appearance of the campus setting and the like were not important in the student's decision to enrol at this institution. The price dimension of the 4Ps was relatively lowly ranked by the students at this institution, but that outcome is misleading as the parents essentially bear the costs rather than the students. Further research involving parents and their perceptions would be required to establish the true effect of price.

As to a possible future projections, it is encouraging for this institution that students tended to emphasise higher probability of occurrence of those events that were more positive in nature such as obtaining a higher grade point average and de-emphasising some of the negative aspects of studies at Higher Education such as dropping out of programs. However, follow-up studies are required to ascertain whether the students are simply being more hopeful than is realistic or that they have made an accurate assessment of the probability of occurrence of future events.

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